

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1260 Session of
1989

INTRODUCED BY VAN HORNE AND MOWERY, APRIL 24, 1989

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 24, 1989

AN ACT

1 Amending the act of May 25, 1933 (P.L.1050, No.242), entitled
2 "An act creating and establishing a fund for the care,
3 maintenance, and relief of aged, retired and disabled
4 employes of the bureau of fire in cities of the second class;
5 creating a board for the management thereof; providing the
6 mode and manner of payment to beneficiaries, and for the care
7 and disposition of its funds; and providing for the transfer
8 and payment of all moneys and securities in existing funds in
9 similar boards superseded by the fund and board herein
10 created," further providing for payments by the city and
11 members into the pension fund and for payment of dues to
12 certain members.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Sections 2 and 7 of the act of May 25, 1933
16 (P.L.1050, No.242), referred to as the Second Class City Firemen
17 Relief Law, are amended to read:

18 Section 2. Such fund shall consist of, and to it shall be
19 transferred--

20 (1) All moneys and securities held by similar boards
21 existing by virtue of any law or ordinance in such city, which
22 fund or funds were held for purposes similar to the purpose of

1 the fund created by this act with respect to the city employees
2 covered by the provisions of this act.

3 (2) All fines imposed upon the firemen of such city, which,
4 by virtue of any law or ordinance referring to such city, are
5 required to be paid by the proper authorities to a fund of this
6 nature.

7 (3) All donations of money from whatever source which have
8 been or shall be made to the fund.

9 (4) The income from any and all trust funds which now or may
10 hereafter be established by gift for the benefit of such persons
11 as are eligible to be beneficiaries under the fund.

12 (5) The dues of the members of the fund, as hereinafter
13 stipulated.

14 (6) Such moneys as the city shall pay into the fund from
15 time to time, as provided by ordinance, in an amount sufficient
16 to meet the minimum obligation of the municipality with respect
17 to the pension plan pursuant to the act of December 18, 1984
18 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding
19 Standard and Recovery Act," and as may be necessary to carry out
20 the provisions of this act.

21 Section 7. (a) The board shall designate and choose such
22 bank or banks, trust company or trust companies, in such city,
23 in which the moneys of the fund shall be deposited, and such
24 bank or banks, trust company or trust companies, shall be
25 selected annually after the board shall have received written
26 proposals as to the rate of interest which shall be paid on such
27 deposits, and the bank or banks, trust company or trust
28 companies, offering to pay the highest rate of interest shall be
29 chosen as the depository or depositories of the fund if the
30 board be satisfied of the soundness of such institution or

1 institutions.

2 **(b)** The [board shall create and establish a sinking fund
3 into which shall be paid all moneys remaining to the credit of
4 the fund and the depositories of the fund on the first day of
5 each year and after all claims and running expenses of the prior
6 year have been paid; and the moneys in the sinking fund shall
7 not be used for any purpose excepting by a two-thirds vote of
8 the board, but the interest accruing on the moneys in such
9 sinking fund may be used for the] payment of the necessary
10 expenses for the operation of the fund may be paid from the
11 assets of the fund.

12 **(c)** The board may invest the moneys of the fund [and of the
13 sinking fund] in such State, county, or municipal bonds of the
14 State of Pennsylvania, or in bonds of the United States
15 Government, as they may deem to the best interest of the
16 respective funds. All such investments shall be made in the name
17 of the respective fund. The accounts of the fund shall be
18 audited annually by the city controller, or oftener if the board
19 requests the same to be done, and a copy of the audit furnished
20 to the council of the city.

21 Section 2. Sections 9, 9.5 and 12.4 of the act, amended
22 October 10, 1974 (P.L.730, No.247), are amended to read:

23 Section 9. **(a)** Any individual eligible to membership in
24 such fund, as aforesaid, shall be required--

25 (1) To sign an acceptance of the provisions of this act,
26 which acceptance shall contain an agreement, on the part of the
27 one so signing, that upon resignation or dismissal from the
28 employ of said bureau of fire, he shall thereby relinquish and
29 forfeit all rights to participate in said fund; and no
30 employment shall be granted an applicant to a position which

1 would make him eligible as a member of said fund until such
2 acceptance and agreement is signed by him.

3 (2) [To] Except to the extent that subsection (c) of section
4 607 of the act of December 18, 1984 (P.L.1005, No.205), known as
5 the "Municipal Pension Plan Funding Standard and Recovery Act,"
6 applies, to contribute to said fund six per centum of his rated
7 monthly wages, which shall be deducted from his wages by the
8 city controller from the payroll for the last pay period of each
9 month, and paid into the fund. All beneficiaries of the fund
10 shall, in addition thereto, pay the sum of one dollar a month
11 into the said fund, and in the case of active members, the city
12 controller shall deduct said contribution from the payroll of
13 the last pay period of each month and the secretary of the fund
14 shall deduct the sum of one dollar from the pension paid each
15 pensioner. The amount so collected shall be paid into the
16 firemen's relief and pension fund and out of the funds of the
17 firemen's relief and pension fund there shall be paid to the
18 beneficiary of any deceased member of the fund, the sum of one
19 thousand two hundred dollars.

20 (b) When any member of the fund shall resign or be dismissed
21 from service and no pension benefit is payable, there shall be
22 paid to him from the fund a sum of money equal to all dues paid
23 by him into the fund, without interest. When any member of the
24 fund shall die in active service there shall be paid from the
25 fund a sum of money equal to all dues paid by him into the fund,
26 without interest, to his widow, if there be such widow, or in
27 the absence of such widow to such person or persons as he shall
28 have designated on a form prepared and approved by the board for
29 such purpose, or in the absence of such widow and such
30 designation to his estate. When any beneficiary shall die before

1 he has received pension payments equal in amount to his total
2 contributions to the fund, there shall be paid a sum of money
3 equal to the difference between the amount of his said
4 contributions and the amount he shall have received as pension
5 payments, without interest, to his widow, if there be such widow
6 or in the absence of such widow to such person or persons as he
7 shall have designated on a form prepared and approved by the
8 board for such purpose, or in the absence of such widow and such
9 designation to his estate.

10 (c) In addition when any member of the fund shall die as a
11 result of injuries incurred while in the performance of his
12 duties, there shall be paid to his widow from the fund monthly
13 sums in amounts which, together with any payments received under
14 "The Pennsylvania Workmen's Compensation Act" or "The
15 Pennsylvania Occupational Disease Act," will be equal to fifty
16 per centum of his salary at the time of his death. Such monthly
17 payments shall continue for five hundred weeks, or until the
18 widow shall remarry, or until her death, whichever shall first
19 occur.

20 (d) In the event there are surviving children but no widow,
21 or after the payments herein provided for the widow have been
22 discontinued by reason of the end of the five hundred week
23 period or her remarriage or death, each unmarried child of the
24 deceased member under the age of eighteen years shall thereafter
25 receive payments equal to twenty-five per centum of the payments
26 above provided for the widow, but in no case shall total
27 payments to one family be more than fifty per centum of his
28 salary at the time of his death. Where there is only one child,
29 the minimum monthly payments shall be sixty dollars. Where the
30 maximum amount is payable, it shall be divided equally among the

1 children entitled thereto. The payments for each child shall
2 terminate upon his reaching the age of eighteen years or his
3 marriage or death: Provided, That the board may continue
4 indefinitely payments to a dependent incompetent child. These
5 payments shall consist of any payments received under "The
6 Pennsylvania Workmen's Compensation Act" or "The Pennsylvania
7 Occupational Disease Act," supplemented by the necessary amounts
8 from the pension fund. In the event there are no surviving
9 children or no widow entitled to receive the payments provided
10 for in this act, any dependent parents of the member shall
11 receive the payments the widow would have received had she
12 survived and not remarried.

13 (e) Regular employes shall serve at least fifteen days in
14 each month and appear on all payrolls of said bureau of fire in
15 said month in order to be credited for one month's service for
16 pension under this act. In the event, however, that such regular
17 employe served one or more days in any month while serving as a
18 substitute employe prior to becoming a regular employe, such
19 regular employe shall be given a full month's credit for the day
20 or days in every month so served as a substitute: Provided, That
21 the dues for each month so credited are paid in full.

22 (f) Payments to the widows and children of members killed
23 while on duty shall first be made on and after July 1, 1959.

24 Section 9.5. [Each] Except to the extent that subsection (c)
25 of section 607 of the act of December 18, 1984 (P.L.1005,
26 No.205), known as the "Municipal Pension Plan Funding Standard
27 and Recovery Act," applies, each member who elects to be
28 governed under the provisions of this amendment shall agree to
29 contribute one-half of one per centum of his rated monthly wages
30 in addition to all other required contributions as set forth in

1 this act.

2 Section 12.4. In every city of the second class, in addition
3 to the pension which is authorized by law, every contributor who
4 shall have otherwise become entitled to the pension and who has
5 reached the age of fifty years, shall also be entitled to the
6 payment of a service increment in accordance with and subject to
7 the conditions hereinafter set forth:

8 (1) Service increment shall be the sum obtained by computing
9 the number of whole years after the completion of twenty years'
10 service while a contributor has been employed by the bureau of
11 fire or the city, and paid out of the city treasury, and
12 multiplying the number of years so computed by an amount equal
13 to ten dollars for each month of service beyond twenty years of
14 service. This sum shall be divided by twelve to arrive at the
15 monthly increment payment. In computing the service increment,
16 no employment, after the contributor has reached the age of
17 sixty-five years shall be included.

18 (2) [Each] Except to the extent that subsection (c) of
19 section 607 of the act of December 18, 1984 (P.L.1005, No.205),
20 known as the "Municipal Pension Plan Funding Standard and
21 Recovery Act," applies, each contributor, from and after the
22 effective date of this amendment, shall pay into the retirement
23 fund as the contribution to the increment fund, a monthly sum in
24 addition to his or her retirement contribution which shall be
25 equal to one-half of one per centum of his or her wages. Such
26 payment shall not exceed the sum of one dollar per month. The
27 service increment contribution shall not be paid after a
28 contributor has reached the age of sixty-five years.

29 (3) Persons who are contributors on the effective date of
30 this amendment who have already reached the age of sixty-five

1 years shall have his or her service increment computed on the
2 years of employment prior to the date of reaching his or her
3 sixty-fifth birthday. Such person, however, shall be entitled to
4 the increment only by paying in the one dollar per month
5 contribution for the number of months his or her service exceeds
6 twenty years, but such contribution shall not exceed a total of
7 one hundred dollars.

8 (4) Service increment contributions shall be paid at the
9 same time and in the same manner as pension contributions, and
10 may be withdrawn in full without interest by persons who leave
11 the employment of the bureau of fire subject to the same
12 conditions by which pension contributions may be withdrawn, or
13 by persons who retire before becoming entitled to any service
14 increment. When any person is re-employed by the bureau of fire
15 after withdrawal of pension contributions, his or her prior
16 service shall not be used in the computation of service
17 increment unless the amount of such contributions be repaid into
18 the pension fund subject to the same conditions by which pension
19 fund withdrawals are permitted to be repaid.

20 (5) All employes of the bureau of fire who are now
21 contributors to the pension fund, and all persons who are
22 employed by the bureau of fire after the effective date of this
23 amendment, who are required to become contributors to the
24 pension fund, shall be subject to the provisions of this
25 section.

26 Section 3. This act shall take effect immediately.